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LEONARD W. DOOREN, III\*  
NANCY L. KILLIEN\*\*  
R. BRADLEY KOERNER

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

ALSO ADMITTED:

N.Y., IND., OHIO, MD., PA.,  
VA., CONN., N.J., CA.

\*ADMITTED MD. & N.J. ONLY  
\*\*ADMITTED CA. & VA. ONLY

September 6, 1994

DOCKET FILE COPY ORIGINAL

Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: CC Docket No. 94-11  
File No. 10209-CL-P-715-B 88  
In re Application of Telephone and Data Systems, Inc. for  
Facilities in the Domestic Public Cellular  
Telecommunications Radio Service on Frequency Block B in  
Market 715, Wisconsin 8 (Vernon), Rural Service Area  
Submission of Transcripts of Depositions

Dear Mr. Caton:

Attached herewith are an original and two copies of transcripts of depositions, taken in the above referenced matter, of the following individuals: Allison T. Compeaux, James P. Brady, John A. Brady, Jr., and Sinclair H. Crenshaw.

Please do not hesitate to contact the undersigned counsel should you have any questions in this regard.

Sincerely,



Donald J. Evans  
R. Bradley Koerner  
Counsel for GTE Mobilnet Incorporated

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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D. C. 20554

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SEP - 6 1994

DOCKET FILE COPY ORIGINAL

ORIGINAL

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

\* \* \* \* \*

IN RE: APPLICATION OF  
TELEPHONE AND DATA  
SYSTEMS, INC.

\* Cc DOCKET NUMBER  
\* 94-11

FOR FACILITIES IN THE  
DOMESTIC PUBLIC CELLULAR  
TELECOMMUNICATIONS RADIO  
SERVICE ON FREQUENCY  
BLOCK B, IN MARKET 715,  
WISCONSIN 8 (VERNON),  
RURAL SERVICE AREA

\* FILE NUMBER  
\* 10209-cl-p-715-b-88

\* \* \* \* \*

# EXHIBITS

Deposition of **JOHN A. BRADY, JR.,**  
taken on Tuesday, July 19, 1994, in the offices  
of Lafourche Telephone Company, 112 West 10th  
Street, Larose, Louisiana.



RECYCLED

ED11

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*Arthur V. Belendiuk*

ATTORNEY AT LAW  
1920 N STREET N W  
SUITE 510  
WASHINGTON, D.C. 20036  
(202) 887-0600

NOV 2  
cc:SF  
F4E  
In  
Refer to La Star  
New Orleans  
F44

October 30, 1987

Mr. William J. Tricarico  
Secretary  
Federal Communications Commission  
Washington, D.C. 20554

Re: Supplement to Amendment to  
Cellular Application for  
New Orleans, Louisiana  
La Star Cellular Telephone  
Company  
(File No. 27161-CL-83)

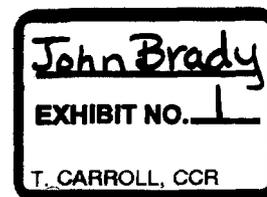
Dear Sir:

Attached herewith, in triplicate, is a supplement to Amendment to the Cellular Application for New Orleans, Louisiana submitted by La Star Cellular Telephone Company (File No. 27161-CL-P-83). As explained in the letter accompanying the amendment filed on October 26, 1987, time constraints prevented the inclusion of original signed copies of the bank letter and the Declaration of John Brady in the amendment. Accordingly, the originals are now being submitted.

If you have any questions concerning this matter, please contact this office.

Very truly yours,

*Arthur V. Belendiuk*  
Arthur V. Belendiuk



SA03294

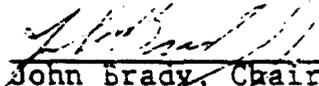
MINOR AMENDMENT

Applicant, La Star Cellular Telephone Company ("La Star"), pursuant to Common Carrier Public Cellular Radio Service Information, Report No. CL-87-342 released September 28, 1987, hereby updates its application to include the attached revised exhibits.

Respectfully submitted,

LA STAR CELLULAR TELEPHONE COMPANY

Date: October 26, 1987

By: 

John Brady, Chairman  
Management Committee

SA03295

Corporate Office  
79 West Monroe Street  
Suite 905  
Chicago, Illinois 60603-4974  
312-630-1900  
Cable TDSINC



**Telephone and  
Data Systems, Inc.**

October 26, 1987

Mr. John A. Brady  
Member Management Committee  
LaStar Cellular Telephone Company  
112 West Tenth Street  
Larose, LA 70373

Dear Mr. Brady:

As documentation to the Federal Communications Commission in support of the loan commitment of Telephone and Data Systems, Inc. (TDS), in connection with your applications to the FCC for authority to build and operate a cellular radio service in a portion of the New Orleans MSA, in the amount of \$4,500,000, I am attaching copies of audited financial statements of TDS dated December 31, 1986, which are the most recent such statements. The financial and cash positions of TDS are at least as favorable now as on that date.

As shown by the financial statements, TDS has cash greatly in excess of \$4,500,000. More than \$4,500,000 of that cash is fully available to make the loan contemplated by our loan commitment to you.

In addition, I am attaching a letter dated October 26, 1987, from the Harris Trust and Savings Bank showing the availability to TDS of a credit facility in the amount of \$4,500,000, which we offer for further documentation of our ability to make the loan to you. That credit facility will be utilized if and to the extent necessary for this purpose.

TELEPHONE AND DATA SYSTEMS, INC.

By   
Murray E. Swanson  
Vice President - Finance

SA03296

Corporate Office  
79 West Monroe Street  
Suite 905  
Chicago, Illinois 60603-4974  
312-630-1900  
Cable TDSINC



## Telephone and Data Systems, Inc.

October 26, 1987

Mr. John A. Brady  
Member Management Committee  
La Star Cellular Telephone Company  
112 West Tenth Street  
Larose, LA 70373

Dear Mr. Brady:

Telephone and Data Systems, Inc. ("TDS") agrees to lend to LaStar Cellular Telephone Company ("the Borrower"), an aggregate sum of Four Million Five Hundred Thousand Dollars (\$4,500,000) in accordance with the following terms:

AMOUNT OF LOAN:	\$4,500,000
RATE:	Fluctuating Prime Commercial Rate of Harris Trust and Savings Bank of Chicago, plus 2%.
MATURITY:	Fifth anniversary from Closing.
TERMS:	Interest payable quarterly, level Payments of principal beginning on the second anniversary of Closing and annually thereafter until final maturity. There is no prepayment penalty on this loan.
MAKER OF NOTE:	The Borrower.
COLLATERAL:	All assets of Borrower to be secured by a first lien on its real property and first security interest in its personal property, except for any applicable purchase money liens for equipment vendors.

SA03297

We understand that, in the absence of prior consent of the FCC, TDS can have no control over the affairs of the Company with respect to its cellular activity. In the event of default on the note, TDS agrees to provide ten (10) days prior written notice to the Borrower and the FCC before any equipment that may secure this loan agreement would be repossessed.

OTHER CONDITIONS:

1. Borrower will deliver to TDS a copy of its Articles of Incorporation and By-laws. There shall not be any change in the Articles of Incorporation or By-laws prior to Closing without the consent of TDS, which shall not be withheld unreasonably.
2. The Borrower shall, prior to Closing, have received a construction permit, the grant of which is no longer subject to administrative review, from the FCC to construct and operate a cellular radio communications system for a portion of the New Orleans MSA.
3. A majority interest in the permittee or licensee at the time of Closing and thereafter shall at all times be beneficially owned by LaStar.
4. If the Borrower does not provide notice of its desire to close the Loan at least thirty (30) days prior to the 1st anniversary of the date of this Commitment, or thirty (30) days after the FCC grant becomes final, whichever is later, then this Commitment will become subject to cancellation by TDS, on ten days written notice. The Closing will be held at a time and place specified by TDS which shall be not more than thirty (30) days and not less than ten (10) days after the receipt of Borrower's notice to close and its satisfaction of the pre-closing conditions. In connection therewith Borrower agrees to execute and deliver loan and security documentation consistent with this agreement and in a form acceptable to TDS.

SA03298

DISPERSAL:

Funds shall be dispersed in amounts sufficient to permit the construction of the system and its operation for at least one year.

We understand that this commitment is being furnished to the FCC in support of your application to provide cellular service in a portion of the New Orleans MSA, and you may rely upon this commitment as a demonstration of your financial qualifications to receive such a construction permit.

Sincerely,

TELEPHONE AND DATA SYSTEMS, INC.



Murray L. Swanson  
Vice President - Finance

Accepted and Approved:

By: 

SA03299



October 26, 1987

Mr. Murray Swanson  
Vice President - Finance  
Telephone and Data Systems, Inc.  
79 West Monroe Street  
Chicago, IL 60603

Dear Murray:

Harris Trust and Savings Bank ("Bank") is pleased to advise you that it is prepared to make term loans (the "Loans") to Telephone and Data Systems, Inc. (the "Borrower") upon the terms and subject to the conditions hereinafter set forth.

I. Terms of Credit Facility

- A. Borrower: Telephone and Data Systems, Inc.
- B. Aggregate Amount of Loans: \$4,500,000
- C. Interest Rate: Floating rate at the Bank's publicly announced Prime rate (actual days elapsed and year of 360 days). (As of the date hereof, the Bank's Prime rate is 9%.)
- D. Term of Facility: One year subject to renewal by the Borrower for an additional year if no Event of Default or event which with notice and/or passage of time could become an Event of Default exists and payment of an extension fee of \$11,250.
- E. Repayment of Loan: Principal of the Loan shall be payable in four equal annual installments, each equal to 1/4th of the aggregate amount of the Loans, commencing on the last day of the month in which the second anniversary of the initial Loan is made. Interest shall be payable quarterly in arrears. Prepayments at any time without penalty are allowed but are applied on installments in inverse order of maturities.

Mr. Murray Swanson  
October 26, 1987  
Page 2

- F. Use of Proceeds of Loan: To construct a cellular mobile radio system in New Orleans, Louisiana and to operate the same for one year.
- G. Collateral for Loan: The Loans will not be secured.
- II. Representations, Warranties, Covenants, Documentation, and Events of Default: Representations, warranties, covenants, documentation and events of default which are typical for a credit facility of this kind.
- III. Conditions Precedent: Conditions precedent which are typical for a credit facility of this kind, including payment to Bank of first year's commitment fee of \$11,250. The Borrower has already paid this fee.
- IV. Miscellaneous:
1. The Borrower will pay all fees and expenses of the Bank's counsel in preparing this letter and the definitive loan documents whether or not any Loan is made. Said obligation shall survive until such fees and expenses are paid.
  2. The credit agreement and all other agreements shall be governed by Illinois law.

Very truly yours,

HARRIS TRUST AND SAVINGS BANK

By \_\_\_\_\_  
Title \_\_\_\_\_

Accepted:

Dated: October 26, 1987

TELEPHONE AND DATA SYSTEMS, INC.

By Murray Swanson  
Title Vice President-Finance

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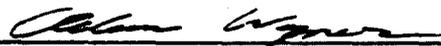
SA03301

CERTIFICATE OF SERVICE

I, Adam Wegner, hereby certify that on this 30th day of October, 1987 sent by first class United States mail, postage prepaid, a true copy of the foregoing to the following:

Alan B. Sternstein, Esquire  
Baskin, Flaherty, Elliott, Mannino,  
Gordon & Scully, P.C.  
818 Connecticut Avenue, N.W.  
Washington, D.C. 20006  
Counsel for New Orleans CGSA

Frederick W. Johnson, Esquire  
BellSouth Mobility  
5600 Glenridge Drive  
Suite 500  
Atlanta, Georgia 30342  
Counsel for New Orleans CGSA

  
\_\_\_\_\_

SA03302

NOV 9 8 53 AM '87  
FBI - BALTIMORE  
COMMUNICATIONS SECTION

SA03303



RECYCLED

ALL-STATE LEGAL SUPPLY CO. 1-800-222-0510 ED11

Before the  
**Federal Communications Commission**  
Washington, D.C. 20554

In re Applications of	)	CC Docket No. 90-257
	)	
LA STAR CELLULAR	)	File No. 27161-CL-P-83
TELEPHONE COMPANY	)	
	)	
For a Construction Permit for	)	
Facilities Operating on Block B in	)	
the Domestic Public Cellular Radio	)	
Telecommunications Service in the	)	
New Orleans, Louisiana MSA	)	
	)	
and	)	
	)	
NEW ORLEANS CGSA, INC.	)	File No. 29010-CL-P-83
	)	File No. 29181-CL-P-85
	)	
To Amend its Construction Permit	)	
for Facilities Operating on Block	)	
B in the Domestic Public Cellular	)	
Radio Telecommunications Service.	)	
Call Sign KNKA224, in the	)	
New Orleans, Louisiana MSA	)	

TO: The Honorable Joseph Chachkin  
Administrative Law Judge

LA STAR CELLULAR TELEPHONE COMPANY

DIRECT CASE EXHIBITS

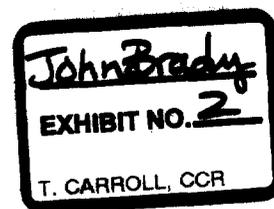
VOLUME 3

Gary S. Smithwick  
Arthur V. Belendiuk  
Lisa Thornton  
SMITHWICK & BELENDIUK, P.C.  
2033 M Street, N.W.  
Suite 207  
Washington, D.C. 20036  
(202) 785-2800

Counsel for

LA STAR CELLULAR TELEPHONE COMPANY

September 18, 1990



SJI 001352



La Star Exhibit 12

TESTIMONY OF JOHN A. BRADY, JR.

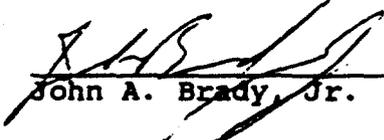
SJI 001353



**DECLARATION**

I, John A. Brady, Jr., Chairman, hereby declare under penalty of perjury that the following testimony is true and accurate to the best of my knowledge and belief.

Executed this 12<sup>th</sup> day of September, 1990.

  
\_\_\_\_\_  
John A. Brady, Jr.



**TESTIMONY**  
**OF**  
**JOHN A BRADY, JR.**

I, John A. Brady, Jr., am the Chairman of the Management Committee of La Star Cellular Telephone Company ("La Star") and will be the General Manager of the cellular system in St. Tammany Parish. I am President, Secretary, Treasurer and a Director of SJI, Inc. ("SJI"), which is the parent company of SJI Cellular, Inc. ("SJI Cellular"), the 51 percent venturer of La Star.

SJI is also the parent company of Lafourche Telephone Company, Inc. ("Lafourche"). I am the son of the founder of Lafourche. Lafourche is a wireline telephone company formed in 1948 and currently has approximately 11,500 access lines. In addition to basic telephone service, Lafourche also provides IMTS, paging and mobile marine services.

SJI is also the parent company of MobileTel, Inc. ("MobileTel"). MobileTel is the wireline licensee in the Houma-Thibodaux MSA. (See Attachment A) MobileTel is also the tentative selectee in Louisiana RSAs 8 and 9. (See Attachment A) BellSouth Mobility has filed Petitions to Deny MobileTel's applications in Louisiana RSAs 8 and 9. The two RSAs, as well as the Houma-Thibodaux MSA, directly border on the New Orleans MSA. SJI, through MobileTel has a strong community of interest with the New Orleans MSA, including St. Tammany Parish. SJI's primary interest and base of operation is southeastern Louisiana. It is in SJI's best financial self-interest that La Star remain under



the control and management of SJI Cellular. Frankly, New Orleans CGSA, Inc.'s ("NOCGSA") accusation that SJI Cellular did or would ever relinquish control of St. Tammany Parish is preposterous.

My initial contact on the La Star project was William Erdman of Maxcell Telecom Plus, Inc. ("Maxcell"). Maxcell, one of Star Cellular Telephone Company's ("Star") original venturers, had experience preparing cellular applications and therefore, Star offered to pay for the filing and prosecution of the applications in return for a 49 percent interest in the application. At the time, SJI had no cellular experience. SJI did not file for the Houma-Thibodaux MSA and Louisiana RSAs 8 and 9 until several years later. An agreement was reached between SJI and Maxcell. SJI would retain 51 percent of the venture and would appoint three of the five members of a management committee. In return for receiving a 49 percent interest in an application it would otherwise not be authorized to file, Star agreed to bear the cost of preparing and prosecuting the application.

At the time, no one believed that this litigation would go on for seven years. As a minority venturer, Star wanted certain protections and guarantees that its interest would not be squandered. For example, since Star was providing 100 percent of the financing in prosecuting the application, it wanted to have a say in any final settlement of the proceeding. Hence, certain



supermajority voting provisions were included in the Joint Venture Agreement.

I reviewed the Joint Venture Agreement before I signed it and had my attorney review it. I was advised that the provisions contained in the Joint Venture Agreement were reasonable and prudent and fully complied with all aspects of FCC Rules and policies. On this basis, I entered into the Joint Venture Agreement.

In negotiating with Star, I had certain requirements regarding the proposed system. Chief among these was the system design. As I stated at my deposition, I laid out the parameters under which the engineers would design the system. The initial system was six cells at my insistence, for a couple of fundamental reasons. One of which is, I wanted a better system than BellSouth Mobility had. The second of which is, I wanted to commit the 49 percent venturer to what I considered a long range system and not a short range system. The engineers did comply with my request and that is exactly what La Star filed. Had the system not been designed to my specifications, I would not have allowed the application to be filed.

From the very inception of the joint venture, SJI Cellular has been in full and complete control of the venture. SJI Cellular's control is consistent with its 51 percent majority



interest. SJI Cellular appointed three members of La Star's five member Management Committee.

At no time, either prior to United States Cellular Corporation's ("USCC") purchase of Star or after the purchase, has SJI Cellular given up control of La Star, nor has Star attempted to exert control over La Star. There has not been a single instance in which Star has threatened to withhold payment in return for concessions on SJI Cellular's part. Nor has Star ever exercised or threatened to exercise any of the supermajority provisions contained in the Joint Venture Agreement.

During the seven year history of the La Star litigation, SJI Cellular has controlled and directed the prosecution of La Star's application. There is not a single instance in which the minority venturer has attempted to gain control over the prosecution of the application.

La Star has independent legal counsel and an independent engineering consultant. Both work for La Star and not for SJI Cellular or Star, individually. To my knowledge, neither work for USCC, Telephone and Data Systems, Inc. ("TDS") or any of Star's affiliates. Arthur V. Belendiuk was La Star's counsel before USCC purchased its minority interest in La Star. Richard L. Biby was retained as La Star's engineering consultant on the advice of La Star's counsel.



To date, La Star's Management Committee has functioned on an informal basis. La Star currently does not have a formal operating system. There are no day-to-day decisions that need to be made. There have been years in which La Star did little more than wait for a decision or action from either the Court of Appeals or the Federal Communications Commission. La Star has no facilities to manage, no operating cash flow to tend, no employees to hire or fire, no buildings or towers to construct, no equipment to maintain, repair or replace. La Star is a shell waiting to receive authorization to commence operations. Formal meetings have not been held, because there is nothing for La Star to decide at such meetings. In the seven year history of this litigation, there has been only one basic question to answer, and that is whether to continue to attempt to obtain operating authority in St. Tammany Parish. At various junctures this question has been asked, and, at each and every juncture the answer has been a resounding and unanimous "yes." The work of prosecuting La Star's application has been left to lawyers and engineers. No one on the Management Committee is an FCC lawyer or an engineer, and each can offer little help in the preparation of legal documents or engineering design. The functions of prosecution La Star's application have been delegated to people in La Star's employ.



La Star's primary activity, so far, has been to enforce its right to file and prosecute its application for the construction and operation of a cellular system in St. Tammany Parish. The greatest number of decisions that La Star has had to make have involved the course of action and direction of the litigation. Usually, I or Sinclair H. Crenshaw, an employee of SJI and a member of the Management Committee, receive a telephone call from Mr. Belendiuk. We discuss a particular course of action to follow and then I or Mr. Crenshaw instruct Mr. Belendiuk on how to proceed. Mr. Belendiuk then usually calls someone at USCC, Star's parent company, and advises them of the course of action to be taken. If there is no disagreement (and there has never been any, to my knowledge), there is no need for a meeting between SJI Cellular and Star. In each and every instance that I, or any member of the Management Committee representing SJI Cellular, has instructed Mr. Belendiuk to take a particular course of action, Mr. Belendiuk has proceeded as specifically instructed. No action has been taken by La Star, either directly or indirectly through its counsel or consulting engineer, at any time, that I was not aware of and that I did not approve in advance.

The two venturers, SJI Cellular and Star have rarely had the need to meet to discuss specific business. I am aware of three



specific meetings (though there have been numerous telephone calls which were necessary to conduct routine business). The first was held in Chicago, Illinois immediately after USCC purchased its interest in Star. Present at that meeting on behalf of Star were Kenneth R. Meyers, and H. Donald Nelson. Also present were other members of USCC's management team including TDS' Chairman of the Board, Leroy Carlson, Sr. The primary purpose of the meeting was to assure SJI Cellular that USCC would in no way attempt to change the terms of the Joint Venture Agreement and that the management of La Star would remain with SJI Cellular. Since that time, USCC has faithfully complied with the terms of the Joint Venture Agreement.

The second meeting, was a telephone conference held June 28, 1989 by the Management Committee. At the time, a meeting was scheduled at the FCC between La Star and NOCGSA to discuss settlement. Because of the wide variety of options and the different perspectives of the two venturers, a telephone conference was held. Several settlement options were discussed and, in the end, the Committee unanimously agreed to follow the settlement plan proposed by Mr. Crenshaw, a member of the Management Committee, appointed by SJI Cellular.

A third meeting of the Management Committee was held (by telephone) in June, 1990 to discuss amendment of the Joint



Venture Agreement. The purpose of the amendment, as drafted by counsel for La Star, was to remove certain supermajority voting provisions which had never been invoked and which were of little consequence to SJI Cellular, and to require SJI Cellular to pay 51 percent of the costs of prosecuting the application. Again, the Management Committee unanimously agreed to the amendment, and La Star has been abiding by it since its effective date.

Section 4.5 of the Joint Venture Agreement (Attached as Attachments B and C hereto are copies of La Star's Joint Venture Agreement and its Amendment to the Joint Venture Agreement) prevents Star, USCC, TDS and their affiliates, directors, officers or employees from entering into any agreement or transaction with La Star for the construction, management, operation, maintenance and marketing of La Star's system and the marketing of La Star's services and products at the wholesale or retail level. Further, Star, USCC, TDS and their affiliates, directors, officers, or employees shall not construct, manage, operate or maintain La Star's system nor market La Star's services and products. I believe Section 4.5, prior to and after the amendment, fully protects SJI Cellular from any undue influence from or attempted control by Star. Further, even if the Joint Venture Agreement did not contain this provision, for USCC to provide any of these services would require a simple